GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:5929
ANSWERED ON:02.05.2003
CASH DEPOSIT FACILITY TO CREDIT CARD HOLDERS
RADHA MOHAN SINGH

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a)whether the Government are aware that the State Bank of India does not accept cash deposits from the `Credit Card` holder as being done by other banks in the metropolitan cities and insist payments by cheques;

(b) if so, the reasons therefor;

(c) whether the Government propose to introduce such a facility in the State Bank of India to `Credit Card` holders ; and

(d) if so, the steps taken by the Government in this direction?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a):- Yes, Sir.

(b):- State Bank of India (SBI) has reported that the credit cards are issued by SBI Cards and Payment Services Private Limited (SBICPSL), a registered NBFC, a Joint Venture with GE USA and is a separate entity. They have not made arrangements for acceptance of cash against credit card dues for the following reasons.

(i) Delay involved in remitting the amount received by the branches to Gurgaon.

(ii) Reluctance of the cardholders to pay the Bank charges to remit the money to Gurgaon.

(iii) Ensure that the dues are remitted by the cardholders only.

SBICPSL have installed cheque collection boxes at major branches of SBI at all the 41 centres, where the Credit cards are issued and the cardholders can deposit cheques drawn on any bank participating in clearing in any of the 41 centres. The cardholders are given credit from the date of receipt of the cheque for full value of the cheque without any charges even though cheques are realised later. The cardholder is spared the work of drawing cash from his account and deposit in the cash counter of the bank.

(c) & (d) :- As the existing facility is more beneficial and convenient to card holders, the need for introducing the facility of accepting cash deposits for Credit card dues at branches of SBI is not felt.